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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91185325
Party	Defendant Olympic Mountain and Marine Products, Inc.
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

LA SENZA CORP.,	:	
Opposer,	:	
v.	:	Opposition No. 91185325
OLYMPIC MOUNTAIN AND MARINE PRODUCTS, INC.,	:	
Applicant.	:	

**APPLICANT’S MEMORANDUM IN OPPOSITION TO
REQUEST FOR RECONSIDERATION**

Applicant, Olympic Mountain and Marine Products, Inc., respectfully submits this memorandum in opposition to the Request for Reconsideration (#41) (“Reconsideration Motion”) of opposer, La Senza Corp.

Introduction and Background

Opposer seeks reconsideration of the Board’s order of June 14, 2010 (#39) (the “June 14 Order”) granting applicant’s Motion to Amend the Answer and Add a Counterclaim for Partial Cancellation (#23) (the “Motion to Amend”).¹ The June 14 Order was proper, and reconsideration should be denied.

¹ Granting of the Motion to Amend was made conditional upon applicant paying the required fee for filing of a counterclaim. June 14 Order, p. 2. However, subsequent to the June 14 Order, on July 9, 2010, the Board issued a further order (#40) recognizing that the required fee had in fact been paid, and entered the June 14 Order and made it of record.

I. The Board granted the Motion to Amend as the proper way to address Opposer's invalid registration.

The Motion to Amend was made for two main purposes: (1) to add a counterclaim for partial cancellation of opposer's Registration No. 1,800,379 (the "'379 Registration"), and (2) to add the affirmative defense of unclean hands. The Notice of Opposition (#1) states that opposer will rely on the '379 Registration in this proceeding, and that "[s]aid registration is valid and subsisting, and constitutes conclusive evidence of Opposer's ownership of Opposer's LA SENZA mark, and exclusive right to use same in commerce in connection with the goods set forth in said registration, namely, conditioners and skin moisturizing cream; toilet soaps; body, hand and face lotions, as well as make-up bags sold empty." ¶ 3.

The Motion to Amend challenged the foregoing, conclusively showing that in fact, opposer abandoned the '379 Registration for all goods save body lotions. Opposer now admits this is correct. *See*, for example, Opposer's Answer to Counterclaim dated July 29, 2010 (#42), ¶ 3. However, rather than bring the '379 Registration into compliance by allowing judgment to run its course in this proceeding which opposer initiated, opposer asks the Board to "delete the relevant goods from La Senza's registration, as a 'corrective measure,' and *without* entering judgment ..." (original emphasis). Reconsideration Motion, p. 3.

Opposer cites the non-precedential case of *Immunotec Research Ltd. v. Rath, Matthias*, Opposition No. 91162850, 2006 TTAB LEXIS 193 (May 23, 2006) in support of this proposition. However, *Immunotec* is altogether inapposite. *Immunotec* concerned the application of an applicant in an opposition proceeding — not, as here, the

registration of the opposer. Applications are governed by subsection (a) of Trademark Rule § 2.133:

§ 2.133 Amendment of application or registration during proceedings.

(a) An application subject to an opposition may not be amended in substance nor may a registration subject to a cancellation be amended or disclaimed in part, except with the consent of the other party or parties and the approval of the Trademark Trial and Appeal Board, or upon motion granted by the Board.

The registration of an opposer in an *inter partes* proceeding, however, is governed by subsection (d):

(d) A plaintiff's pleaded registration will not be restricted in the absence of a counterclaim to cancel the registration in whole or in part, except that a counterclaim need not be filed if the registration is the subject of another proceeding between the same parties or anyone in privity therewith.

Since it is undisputed that the parties have no other proceeding going on between them, the Motion to Amend — which asserts a counterclaim for partial cancellation of the registration on which opposer relies in this opposition proceeding — was and is manifestly the correct way for applicant to address opposer's invalid registration. The Board was therefore correct to grant the Motion to Amend.

Opposer's citation of *Phonak Holding AG v. ReSound GmbH*, 56 USPQ2d 1057 (TTAB 2000) is also misplaced. The opposer in *Phonak* relied on a Section 44 registration for which the home country registration had not been provided to the Trademark Office during *ex parte* prosecution. On this basis, the applicant argued that the registration was void, and could not be relied upon as grounds for opposition. The

Board disagreed, holding that the omission was a mere examination error in circumstances where the home country registration was in fact valid and existing at all applicable times, and the only omission was a failure to provide a copy of it to the Trademark Office upon seeking a U.S. registration under Section 44.

The Board compared the omission in *Phonak* to the failure to support an application with the proper specimens. Significantly, though, the Board wrote that both situations must be contrasted with a failure by a party to use the mark in commerce, citing *Century 21 Real Estate Corp. v. Century Life of America*, 10 USPQ2d 2034, 2035 (TTAB 1989): “It is not the adequacy of the specimens, but the underlying question of service mark usage which would constitute a proper ground for opposition.”

Of course, the latter is precisely the issue here. The Notice of Opposition boldly states that the ‘379 Registration is “valid and subsisting, and constitutes evidence of Opposer’s ownership of Opposer’s LA SENZA mark, and exclusive right to use same in commerce in connection with the goods set forth in said registration, namely, conditioners and skin moisturizing creams; toilet soaps; body, hand and face lotions, as well as make-up bags sold empty.” It is now clear, based on opposer’s admission, that the registration was in fact abandoned for all use but body lotions. Consequently, the issue goes to the underlying question of mark usage — in contrast to “mere examination error.”

The third case cited by opposer, *Saint-Gobain Abrasives, Inc. v. Unova Industrial Automation Systems, Inc.*, 66 USPQ2d 1355 (TTAB 2003), changes nothing. In *Saint-Gobain*, the Board treated an indefinite description of the mark as an examination error. Again, however, the omission was not that the applicant had listed

more goods than it was actually using in commerce which, by contrast, would have gone to actual validity of the applicant's registration.

Finally, opposer wrongly invokes Trademark Rule § 2.174 for the correction of Office mistakes. As shown below, the Trademark Office is not entirely to blame for incorrectly renewing the '379 Registration, in other words, the invalid registration is not just the result of an Office mistake. What matters even more, however, is that opposer has bottomed this action not just on the existence of an invalid registration, but on the subject matter rendering it invalid. The Notice of Opposition states that opposer relies on the '379 Registration to show its "exclusive right to use [the LA SENZA mark] in commerce in connection with the goods set forth in said registration, namely, conditioners and skin moisturizing cream; toilet soaps; body, hand and face lotions, as well as make-up bags sold empty" (emphasis supplied). ¶ 3.

This is completely different from the cases cited by opposer, where no nexus existed between the claimed defects in the registrations and the subject matter of the actions. In those cases, the failure to provide the Trademark Office with a copy of the home country registration (*Phonak*), for example, could not change the outcome of the opposition proceeding, because it did not render the U.S. registration actually invalid. The same was true for non-conforming specimens or an indefinite mark description. Here, opposer's Notice of Opposition itself created the nexus between the invalid subject matter of the '379 Registration and the merits of the opposition.

Applicant submits that it is for just such a case as this that Trademark Rule § 2.173(a) provides that where "the registration is involved in an inter partes proceeding before the Trademark Trial and Appeal Board, the request [to amend] must be filed by

appropriate motion to the Board.” Opposer would gladly use Trademark Rule § 2.174 to “privately” initiate the correction of the ‘379 Registration, obscuring the connection between the original premise of this action and the altered premise on which it must now proceed. Trademark Rule § 2.173(a) prevents this, and the Board would be correct to deny the Reconsideration Motion seeking the “private remedy” opposer desires.

II. Opposer improperly seeks to avoid the consequences of unclean hands by laying off the invalidity of the ‘379 Registration on the Trademark Office.

Opposer admits that the ‘379 Registration is invalid as it currently exists on the Principal Register. The purpose of the instant Reconsideration Motion is to lay the consequences of the registration’s invalidity on the Trademark Office. However, this would not be the proper result, and the Reconsideration Motion should be denied.

First, the Trademark Office is not entirely to blame for the invalid registration, as opposer would have the Board believe. In its Combined Declaration of Use in Commerce/Application for Renewal of October 16, 2003 (Ex. C to Opposer’s Brief in Opposition to Applicant’s [Second] Motion for Leave to Amend Answer and Assert Counterclaim for Partial Cancellation, dated March 22, 2010 (#37) (“Opposition Brief”)), opposer wrote: “The registrant requests that the registration be renewed for the goods identified in the registration.” This is precisely what the Trademark Office did. In view of the fact that Trademark Rule § 2.161(e)(2) provides that “[i]f the affidavit or declaration covers less than all of the goods or services, or less than all of the classes in the registration, specify the goods or services being deleted from the registration ...” — opposer was deleting both goods and classes, but failed to specify either — it is unsurprising that the Trademark Office simply followed opposer’s instructions at the end

of the Combined Declaration, and issued a Notice of Acceptance and Notice of Renewal maintaining the ‘379 Registration in force. In this connection, it is noteworthy that opposer missed a subsequent opportunity to correct the record when it received the Notice of Acceptance and Notice of Renewal that was inconsistent with the Combined Declaration it had just filed.

Second, laying the consequences of the ‘379 Registration’s invalidity on the Trademark Office equates to denying applicant’s unclean hands defense on the merits. Opposer submits the Reconsideration Motion as an alternative to granting the Motion to Amend. Opposer argues that the parties are in agreement that the ‘379 Registration is now wrong, but that it makes more sense to have the Trademark Office fix it than to grant judgment to applicant for partial cancellation. Left unsaid in this argument is that applicant’s affirmative defense of unclean hands would be wiped away with denial of the Motion to Amend.

The Board, however, has repeatedly held that a fraud claim — and by extension, an unclean hands defense — cannot be wiped away by amending an application or registration in dispute. *See, for example, Hachette Filipacchi Presse v. Elle Belle, LLC*, 85 USPQ2d 1090 (TTAB 2007) (attempt to eliminate goods one month after petitioner filed summary judgment motion in cancellation proceeding cannot cure prior fraud); *Bass Pro Trademarks LLC v. Sportsman’s Warehouse, Inc.*, 89 USPQ2d 1844 (TTAB 2008) (voluntary deletion of “wholesale stores” from goods and services ID in a Section 8 declaration during pendency of a cancellation proceeding does not remove the fraud claim from the proceeding).

This is not to say that applicant's unclean hands defense is tantamount to a fraud claim, and therefore subject to the heightened pleading and proof standards of a fraud claim, as opposer has suggested. *See*, for example, Opposition Brief, p. 15. Applicant's unclean hands defense is not for the filing of a false and fraudulent Section 8 and 15 Combined Affidavit, as would be true for a fraud claim. Rather, the unclean hands defense is that opposer launched an action against applicant premised on representations of the '379 Registration that were untrue as the result of opposer's own statements to the Trademark Office.² These representations were not made by the Trademark Office. They were made by opposer. Thus, the Trademark Office's "mistake" is not the issue in the unclean hands defense, but opposer's representations to applicant and to the Board. It follows that having the Trademark Office "fix the mistake" does not make the unclean hands defense go away.

Applicant notes that the unclean hands defense is a shield, not a sword. The purpose of a fraud claim is to produce the cancellation of an opponent's mark. The purpose of the unclean hands defense is merely to prevent the registrant (in an opposition proceeding) or the petitioner (in a cancellation proceeding) from benefiting from improper conduct vis-à-vis the defendant:

We deem such a sanction as we here apply necessary to deter the further development of such a cavalier attitude toward statements in affidavits under section 15 as appears in this case. Because opposer has attempted by false representations in the Patent Office to secure through this registration incontestable rights to use "Sweet 'N Low," it is precluded from relying on the registration in an attempt to defeat applicant's right to register.

² Opposer and its counsel have been the same since the '379 Registration was first filed.

Duffy-Mott Company, Inc. v. Cumberland Packing Company, 424 F.2d 1095, 1100, 165

USPQ 422 (CCPA 1970) (emphasis supplied). *See, also, Lever Brothers Company v.*

Shaklee Corporation, 214 USPQ 654, 659-660 (TTAB 1982):

Lever treats the priority issue in two brief sentences of its brief, page 4, arguing that there can be no question about its priority based on the grant to it of a registration in respect of the mark “SUNSILK” on July 16, 1974. We do not agree.

While ordinarily, in a proceeding before this Board, a Principal Register registrant is entitled to rely upon the presumptions of validity, ownership and exclusive right to use accorded under the provisions of the Trademark Act, we have determined that such presumptions are effectively rebutted where there is clear and unmistakable evidence in the record that the registered mark is invalid due to its having been abandoned, obtained on the basis of a false statement or subject to some other material defect. Where such unmistakable evidence exists, the registration is not accorded any evidentiary value in regard to the issues in a proceeding before us. *Stardust, Inc. v. Birdsboro Knitting Mills*, 119 U.S.P.Q. 270, 271 n.5 (TTAB 1958) [false statement as to use in § 8 affidavit]; *Airport Canteen Services, Inc. v. Farmer's Daughter, Inc.*, 184 U.S.P.Q. 622, 626 (TTAB 1974) [non-use for identified services before and after registration]; *American Hydrotherm Corp. v. Hydrotherm, Inc.*, 164 U.S.P.Q. 143, 151 (TTAB 1968) [admitted non-use for a number of years subsequent to purchase of registration]; *Duffy-Mott Co., Inc. v. Cumberland Packing Co.*, 424 F.2d. 1095, 165 U.S.P.Q. 422, (CCPA 1970); *Ultra-Violet Products, Inc. v. Purex Corp.*, 171 U.S.P.Q. 827, 831 (TTAB 1971); [never used for identified goods]; *General Mills v. Frito-Lay, Inc.*, 176 U.S.P.Q. 148, 153 (TTAB 1972) [never used for identified goods]; *Angelica Corp V. Collins & Aikman Corp.*, 192 U.S.P.Q. 387, 390 (TTAB 1976) [never used for certain of the identified goods]; *Volkswagemwerk Ag. v. Advance Welding and Mfg. Corp.*, 193 U.S.P.Q. 673, 677 (TTAB 1976) [combined § 8 and 15 declaration false in that support was based on two sales in one year out of a five year period]. The theory on which these decisions are generally based is that, since the § 7(b) presumptions are prima facie, they should not be accorded where clear and

convincing evidence establishes beyond question that the presumptions are contradicted by the facts. In one decision, the rationale is that precluding a registrant from relying on a registration which has been secured or maintained on the basis of a false statement is in accordance with the equitable doctrine of “unclean hands” which is applicable to all Lanham Act proceedings. *Duffy-Mott*, 165 U.S.P.Q. at 425.

Here, too, a false representation has been made to the Patent Office, namely, to this Board, which is an integral part of the USPTO. There is no basis to brush it off as a mistake. Opposer’s awakened interest in “fixing” the ‘379 Registration — after commencing litigation — is too late.

Conclusion

For all of the foregoing reasons, applicant respectfully requests that the Reconsideration Motion be denied in its entirety.

Respectfully submitted,

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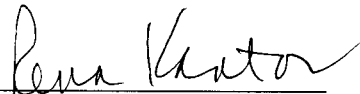
Attorneys for Applicant

Dated: August 2, 2010

CERTIFICATE OF SERVICE

I hereby certify that on this 2nd day of August, 2010, a true copy of
Applicant's Memorandum in Opposition to Request for Reconsideration, dated August 2,
2010, was served by first-class mail, postage prepaid, upon counsel for Opposer at the
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